

CELSIUS EX. 84

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

**EXHIBITS IN SUPPORT OF SCHNEIDER’S OBJECTION TO PLAN
CONFIRMATION**

Comes David Schneider, a creditor in the above styled bankruptcy case, pro se, and for his objection to confirmation of the Debtor’s Chapter 11 Plan, submits the following exhibits:

Schneider reserves all of his rights including the right to amend his exhibits.

Respectfully Submitted,

/s/ David Schneider
David Schneider, creditor
Pro Se
October 11th, 2023

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Schneider Exhibit 1

“The Wealth of Nations” By ADAM SMITH

Chapter X: On Wages and Profit in the different Employments of Labour and Stock; Part II:

Inequalities by the Policy of Europe

In Scotland there is no general law which regulates universally the duration of apprenticeships. The term is different in different corporations. Where it is long, a part of it may generally be redeemed by paying a small fine. In most towns, too, a very small fine is sufficient to purchase the freedom of any corporation. The weavers of linen and hempen cloth, the principal manufactures of the country, as well as all other artificers subservient to them, wheel-makers, reel-makers, etc., may exercise their trades in any town corporate without paying any fine. In all towns corporate all persons are free to sell butcher's meat upon any lawful day of the week. Three years in Scotland is a common term of apprenticeship, even in some very nice trades; and in general I know of no country in Europe in which corporation laws are so little oppressive.

The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbour is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper. To judge whether he is fit to be employed may surely be trusted to the discretion of the employers whose interest it so much concerns. The affected anxiety of the law-giver lest they should employ an improper person is evidently as impertinent as it is oppressive.

The institution of long apprenticeships can give no security that insufficient workmanship shall not frequently be exposed to public sale. When this is done it is generally the effect of fraud, and not of inability; and the longest apprenticeship can give no security against fraud. Quite different regulations are necessary to prevent this abuse. The sterling mark upon plate, and the stamps upon linen and woollen cloth, give the purchaser much greater security than any statute of apprenticeship. He generally looks at these, but never thinks it worth while to inquire whether the workman had served a seven years' apprenticeship.

First Published: 1776

Source: The Wealth of Nations, The Modern Library, © 1937

Publisher: Random House, Inc.

Online Version: Adam Smith Reference Archive (marxists.org) 2000

<https://www.marxists.org/reference/archive/smith-adam/works/wealth-of-nations/book01/ch10b.htm>

Schneider Exhibit 2

James Madison, Property

29 Mar. 1792 *Papers* 14:266--68

This term in its particular application means "that dominion which one man claims and exercises over the external things of the world, in exclusion of every other individual."

In its larger and juster meaning, it embraces every thing to which a man may attach a value and have a right; and *which leaves to every one else the like advantage.*

In the former sense, a man's land, or merchandize, or money is called his property.

In the latter sense, a man has a property in his opinions and the free communication of them.

He has a property of peculiar value in his religious opinions, and in the profession and practice dictated by them.

He has a property very dear to him in the safety and liberty of his person.

He has an equal property in the free use of his faculties and free choice of the objects on which to employ them.

In a word, as a man is said to have a right to his property, he may be equally said to have a property in his rights.

The Founders' Constitution

Volume 1, Chapter 16, Document 23

<http://press-pubs.uchicago.edu/founders/documents/v1ch16s23.html>

The University of Chicago Press

The Papers of James Madison. Edited by William T. Hutchinson et al. Chicago and London: University of Chicago Press, 1962--77 (vols. 1--10); Charlottesville: University Press of Virginia, 1977--(vols. 11--).

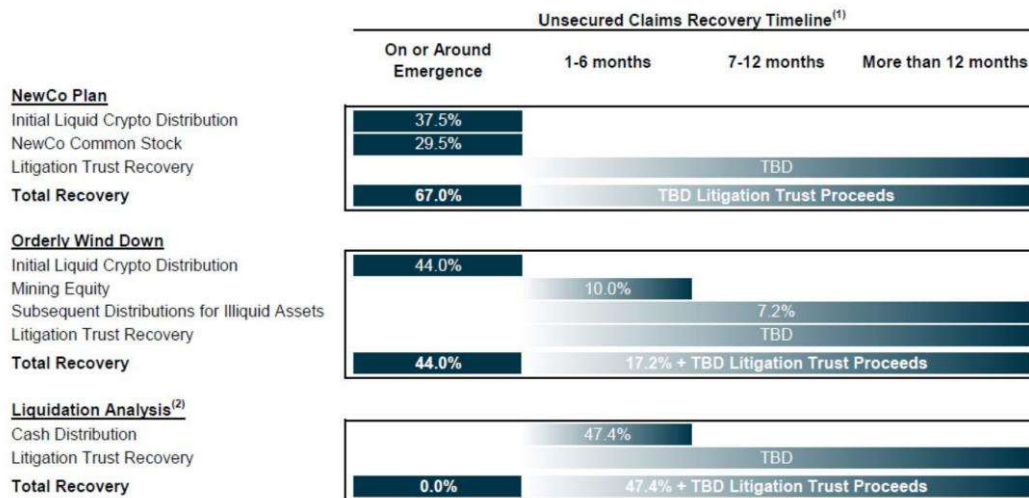
<https://press-pubs.uchicago.edu/founders/documents/v1ch16s23.html>

Schneider Exhibit 3

The Distribution Timeline Chart

22-10964-mg Doc 3332 Filed 08/17/23 Entered 08/17/23 12:08:45 Main Document
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Celsius Network Inc. Distribution Timeline



(1) Unsecured Claims includes Retail Borrower Post-Set Off Claim, General Earn Claims, Unsecured Loan Claims, General Unsecured Claims and the remaining 85% of Withhold Claims, all of which are eligible for Unsecured Claim Distribution Consideration. The analysis assumes CEL Token Deposit Claims vote in favor of the Plan and receive the treatment associated with the program in which they were deployed. Recovery percentages do not reflect any potential future increase in the value of assets

(2) Under Chapter 7 liquidation, no distributions will be made in Liquid Cryptocurrency. All Liquid Cryptocurrency, illiquid assets and mining assets will be liquidated and distributed in cash to creditors at the end of the Liquidation Period

- Given NewCo high risk, equity could actually be zero.
- Excepting the speculative inferior equity value Chapter 7 liquidation provides a greater recovery of 47.4% over the NewCo Plan recovery of 37.5%.
- Excepting the speculative inferior equity value, Debtors' OWD Backup Plan actually returns the most immediate, greatest and safest superior value recovery to creditors (44%+7.2 = 51.2%) over Fahrenheit NewCo Plan (37.5%).

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Schneider Exhibit 4 — [Doc 3332 Pg 28 of 830]

(See Next Page)

Celsius Network Inc.

Recovery and Distribution Comparison

\$ in millions

		NewCo Plan	Orderly Wind Down	Liquidation (Mid-Point)
Liquid Cryptocurrency				
Gross Liquid Cryptocurrency ⁽¹⁾		\$ 2,679	\$ 2,657	\$ 2,604
Operating & Professional Expenses		(55)	(91)	(75)
Plan Administration / Distribution Costs		(20)	(72)	(84)
Litigation Trust ⁽²⁾		(50)	(50)	-
Mining Business Capitalization ⁽³⁾		-	(50)	-
Liquid Cryptocurrency Holdback for NewCo		(450)	-	-
Total Reductions to Liquid Cryptocurrency		\$ (575)	\$ (263)	\$ (159)
Net Liquid Cryptocurrency Assets		\$ 2,104	\$ 2,394	\$ 2,444
Distribution to Claims				
Administrative Claims		(70)	(85)	(85)
Convenience Claims		(242)	(242)	-
General Custody Claims		(158)	(158)	(158)
Withdrawable Custody Claims		(48)	(48)	(48)
Withhold Claims (Eligible 15% Distribution)		(2)	(2)	-
Liquid Cryptocurrency Available for Unsecured Claims⁽⁴⁾⁽⁵⁾	a	\$ 1,584	\$ 1,859	\$ 2,153
NewCo Cryptocurrency		450	-	-
Mining ⁽⁶⁾	b	515	424	88
Illiquid Assets ⁽¹⁾	c	283	306	184
NewCo NAV / Wind Down Period Distributable Assets⁽⁷⁾	d	\$ 1,248	\$ 729	\$ 272
Total Assets Available for Unsecured Claims	e	\$ 2,832	\$ 2,588	\$ 2,425
Total Unsecured Claims⁽⁴⁾	f	\$ 4,225	\$ 4,225	\$ 5,117
Initial Liquid Cryptocurrency Distribution %	a / f	37.5%	44.0%	N/A
NewCo Common Stock Recovery %	d / f	29.5%	N/A	N/A
Wind Down Period Mining Business Equity Recovery %	b / f	N/A	10.0%	N/A
Wind Down Period Illiquid Asset Recovery %	c / f	N/A	7.2%	N/A
Chapter 7 Liquidation Cash Recovery % ⁽⁵⁾	e / f	N/A	N/A	47.4%
Total Recovery %	e / f	67.0%	61.2%	47.4%

(1) In the Orderly Wind Down, Liquid Cryptocurrency is reduced by approximately \$22 million relative to the Liquid Cryptocurrency in NewCo. There is a corresponding increase in the value of illiquid assets in the Orderly Wind Down related to collateral held on behalf of institutional loan counterparties

(2) Funding amount is still under discussion. Amount not to exceed \$50 million

(3) In NewCo, funds to capitalize the NewCo mining business are included in the Liquid Cryptocurrency Holdback for NewCo

(4) Unsecured Claims includes Retail Borrower Post-Set Off Claim, General Earn Claims, Unsecured Loan Claims, General Unsecured Claim and the remaining 85% of Withhold Claims, all of which are eligible for Unsecured Claim Distribution Consideration.

(5) Under Chapter 7 liquidation, no distributions will be made in Liquid Cryptocurrency. All Liquid Cryptocurrency, illiquid assets and mining assets will be liquidated and distributed in cash to creditors at the end of the Liquidation Period

(6) The midpoint valuation for mining under NewCo is estimated to be \$565 million. For illustrative purposes the mining valuation has been reduced to reflect \$50 million of mining capitalization that is included within NewCo Cryptocurrency for the sole purposes of this illustrative exhibit

(7) The non-mining assets in NewCo NAV reflect the net asset value of these assets at the projected Emergence Date and do not reflect any potential upside associated with NewCo's non-mining business lines. Additionally, NewCo NAV does not reflect potential future dilution related to the NewCo management agreement

Schneider Exhibit 5a

\$1.1B Celsius customers toggled for crypto vs \$180M voted for equity, a 6:1 ratio by dollars across all eligible account holders.



Schneider Exhibit 5b

(See Next Page)

C. Weighted Distribution Election⁷

14. Stretto examined each valid Account Holder Ballot submitted by Holders of Account Holder Claims eligible to make either the NewCo Common Stock Weighted Distribution Election or the Liquid Cryptocurrency Weighted Distribution Election, which consisted of Holders of a Class 2 (Retail Borrower Deposit Claims), Class 5 (General Earn Claims), and Class 7 (Withhold Claims) Claims. Based on this review, 4.85% (418) in number, which is equivalent to 4.46% (\$15,683,669.91) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the NewCo Common Stock Weighted Distribution Election. 3.97% (3,601) in number, which is equivalent to 4.17% (\$163,851,968.75) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the NewCo Common Stock Weighted Distribution Election. 4.05% (59) in number, which is equivalent to 1.34% (\$153,960.34) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the NewCo Common Stock Weighted Distribution Election.

⁶ For the avoidance of doubt, all percentages herein are calculated based on the total number of potential Holders in a given Voting Class *not* the number of Holders that voted in that particular Voting Class.

⁷ For the avoidance of doubt, all percentages herein are calculated based on the total number of potential Holders in a given Voting Class *not* the number of Holders that voted in that particular Voting Class.

15. On the other hand, 26.33% (2,267) in number, which is equivalent to 42.36% (\$148,938,980.87) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 17.67% (16,011) in number, which is equivalent to 24.42% (\$960,018,704.02) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 19.15% (279) in number, which is equivalent to 27.68% (\$3,173,615.89) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election.

Schneider Exhibit 5c

Toggle Equity		
Class 2	Retail Borrower Deposit Claims	\$15,683,669.91
Class 5	General Earn Claims	\$163,851,968.75
Class 7	Withhold Claims	\$153,960.34
	Total	\$179,689,599.00
Toggle Crypto		
Class 2	Retail Borrower Deposit Claims	\$148,938,980.87
Class 5	General Earn Claims	\$960,018,704.02
Class 7	Withhold Claims	\$3,173,615.89
	Total	\$1,112,131,300.78

- $\$1,112,131,300.78 / \$179,689,599 = 6.189$
- Celsius customers, per dollar amount, elected to receive more crypto over equity by a 6:1 ratio across all eligible account holders.

Schneider Exhibit 6

56. To prepare this Liquidation Analysis, the Debtors, with the assistance of their advisors estimated proceeds, costs, and resulting recoveries in either the event that the Plan is confirmed and consummated or the event the Plan is converted to a liquidation under chapter 7 of the Bankruptcy Code. The Debtors, supported by their advisors, estimated creditor recoveries

⁸ An explanation of the Liquidation Analysis along with a summary of the Debtors' and my assumptions were set forth as Exhibit B to the Disclosure Statement.

under the NewCo Transaction, including on account of NewCo Common Stock, based on the net asset value of NewCo, which is approximated to be \$1.248 billion and consists of the following components: \$450 million of cryptocurrency that will “seed” NewCo, Mining; and certain illiquid assets. Then, to compare distributions under NewCo as opposed to a chapter 7 liquidation, the Debtors estimated the total Liquidation Proceeds that a chapter 7 trustee could generate under chapter 7 and then determined the estimated Liquidation Distribution to creditors under the priority scheme set forth in chapter 7 of the Bankruptcy Code. The Liquidation Distribution was compared to the distribution Holders would receive if the Plan were confirmed and consummated. The Liquidation Analysis was based on a variety of assumptions that I believe are reasonable on an overall basis.

Schneider Exhibit 7

22-10964-mg; Doc 3332; Filed 08/17/23; Pg 7 of 830

This Disclosure Statement contains, among other things, summaries of the Plan, certain statutory provisions, and certain anticipated events in the Debtors' Chapter 11 Cases. Although the Debtors believe that these summaries are fair and accurate, these summaries are qualified in their entirety to the extent that they do not set forth the entire text of such documents or statutory provisions or every detail of such anticipated events. The Plan and other documents incorporated herein will govern for all purposes in the event of any inconsistency or discrepancy between a description in this Disclosure Statement and the terms and provisions of the Plan or any other documents incorporated herein by reference. Factual information contained in this Disclosure Statement has been provided by the Debtors' management team and is as of the date of this Disclosure Statement except where otherwise specifically noted. The Debtors do not represent or warrant that the information contained herein or attached hereto is without any material inaccuracy or omission.

In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records and various assumptions regarding the Debtors' business. While the Debtors believe that such financial information fairly reflects the financial condition of the Debtors as of the date hereof and that the assumptions regarding future events reflect reasonable business judgments, no representations or warranties are made as to the accuracy of the financial information contained herein or assumptions regarding the Debtors' business or their future results or operations. The Debtors expressly caution readers not to place undue reliance on any forward-looking statements contained herein.

The Debtors are making the statements and providing the financial information contained in this Disclosure Statement as of the date hereof unless otherwise specifically noted, and there is no assurance that the statements contained herein will be correct at any time after such date. Although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so, and expressly disclaim any duty to publicly update any part of this Disclosure Statement, including the exhibits and any forward-looking statements whether as a result of new information, future events, or otherwise. Holders of Claims and Interests reviewing this Disclosure Statement should not infer that, at the time of their review, the facts set forth herein have not changed since this Disclosure Statement was Filed. Information contained herein is subject to completion, modification, or amendment. The Debtors reserve the right to File an amended or modified Plan and related Disclosure Statement from time to time, subject to the terms of the Plan and Plan Sponsor Agreement.

Schneider Exhibit 8

22-10964-mg; Doc 3332; Filed 08/17/23; Pg 8 of 830

The Debtors have not authorized any Entity to give any information about or concerning the Plan other than that which is contained in this Disclosure Statement. The Debtors have not authorized any representations concerning the Debtors or the value of their property other than as set forth in this Disclosure Statement.

This Disclosure Statement does not constitute and may not be construed as an admission of fact, liability, stipulation, or waiver. The Debtors or any other authorized party may seek to investigate, File, and prosecute Claims and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies any such Claims or objections to Claims.

If the Bankruptcy Court confirms the Plan and the Effective Date occurs, all Holders of Claims and Interests (including those Holders of Claims and Interests who do not submit Ballots to accept or reject the Plan, who vote to reject the Plan, or who are not entitled to vote on the Plan) will be bound by the terms of the Plan and the Restructuring Transactions contemplated thereby. The Confirmation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article IX of the Plan. There is no assurance that the Plan will be confirmed or, if confirmed, that the conditions required to be satisfied for the Plan to go effective will be satisfied or waived. You are encouraged to read the Plan and this Disclosure Statement in its entirety, including Article VIII entitled “Risk Factors,” before submitting your Ballot to vote on the Plan.

The Bankruptcy Court’s approval of this Disclosure Statement does not constitute a guarantee by the Bankruptcy Court of the accuracy or completeness of the information contained herein or an endorsement by the Bankruptcy Court of the merits of the Plan. The information contained in this Disclosure Statement is included for purposes of soliciting votes for and Confirmation of the Plan and may not be relied on for any other purpose. This Disclosure Statement has been prepared in accordance with section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily prepared in accordance with federal or state securities laws or other similar laws. The Securities and Exchange Commission or any similar federal, state, local, or foreign regulatory agency has not approved or disapproved this Disclosure Statement; nor has the SEC or any other agency passed upon the accuracy or adequacy of the statements contained in this Disclosure Statement.

The Debtors have sought to ensure the accuracy of the financial information provided in this Disclosure Statement; however, the financial information contained in this Disclosure Statement or incorporated herein by reference has not been and will not be audited or reviewed by the Debtors’ independent auditors unless explicitly provided otherwise.

Schneider Exhibit 9

[22-10964-mg; Doc 3332; Filed 08/17/23; Mining Financial Projections – Exhibit E; Pg 359 of 830]

MINING FINANCIAL PROJECTIONS

In connection with the Disclosure Statement, Debtor Celsius Mining LLC's ("Celsius Mining") management team ("Management") prepared financial projections (the "Financial Projections") for the fiscal years ending September 30, 2023 through September 30, 2028 (the "Projection Period").¹ The Financial Projections are based on a number of assumptions made by Management with respect to the future performance of the assets currently held by Celsius Mining ("Reorganized Mining"). In preparing the Financial Projections, Management conferred with the Fahrenheit Group, and agreed on certain assumptions to be used in the Financial Projections.

Certain assumptions were based on information available to Management, including information derived from public sources that have not been independently verified, information and materials shared by Fahrenheit, as well as input from analyses commissioned by third parties. No representations or warranties, express or implied, are provided in relation to the fairness, accuracy, correctness, completeness, or reliability of the information, opinions, or conclusions expressed herein.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections, or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or Financial Projections to Holders of Claims or Interests or other parties in interest going forward. The Debtors also will not include such information in documents required to be filed with the SEC or otherwise make such information public, unless required to do so by the SEC or other regulatory bodies pursuant to the provisions of the Plan.

Schneider Exhibit 10

[22-10964-mg; Doc 3332; Filed 08/17/23; Mining Financial Projections – Exhibit E; Pg 359-360 of 830]

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARDS COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION.

ALTHOUGH MANAGEMENT HAS PREPARED THE FINANCIAL PROJECTIONS IN GOOD FAITH AND BELIEVES THE ASSUMPTIONS TO BE REASONABLE, **IT IS IMPORTANT TO NOTE THAT CELSIUS MINING, THE DEBTORS, REORGANIZED MINING, AND NEWCO CAN PROVIDE NO ASSURANCES THAT SUCH ASSUMPTIONS WILL BE REALIZED.** AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT REORGANIZED MINING'S FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, THE FINANCIAL PROJECTIONS SHOULD BE REVIEWED IN CONJUNCTION THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS

¹ September 30 is the end of the fiscal year for each year ("Fiscal Years End").

DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.


Schneider Exhibit 11

(See Next Page)

<https://find-and-update.company-information.service.gov.uk/company/11198050/officers>

Nationality	Country of residence	Occupation
American	United States	Ceo

Schneider Exhibit 12

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Celsius Network CEO Submits Letter of Resignation

September 27, 2022 10:00 AM Eastern Daylight Time

HOBOKEN, N.J.--(BUSINESS WIRE)--Celsius Network CEO Alex Mashinsky has submitted his letter of resignation, effective immediately, to the Special Committee of the Board of Directors of Celsius Network Limited.

"I believe we all will get more if Celsiusians stay united and help the UCC with the best recovery plan. I remain willing and available to continue to work with the Company and their advisors to achieve a successful reorganization."

 [Tweet this](#)

"I elected to resign my post as CEO of Celsius Network today. Nevertheless, I will continue to maintain my focus on working to help the community unite behind a plan that will provide the best outcome for all creditors – which is what I have been doing since the Company filed for bankruptcy," Mr. Mashinsky said. He continued: "I believe we all will get more if Celsiusians stay united and help the UCC with the best recovery plan. I remain willing and available to continue to work with the Company and their advisors to achieve a successful reorganization."

The text of Mr. Mashinsky's resignation letter reads as follows:

Effective immediately, please accept my resignation as CEO of Celsius Network Ltd, as well as my directorships and other positions at each of its direct and indirect subsidiaries, with the exception of my director position at Celsius Network Ltd. I regret that my continued role as CEO has become an increasing distraction, and I am very sorry about the difficult financial circumstances members of our community are facing. Since the pause, I have worked tirelessly to help the Company and its advisors put forward a viable plan for the Company to return coins to creditors in the fairest and most efficient way. I am committed to helping the Company continue to flesh out and promote that plan, in order to help account holders become whole.

Cadwalader, Wickersham & Taft LLP represents Mr. Mashinsky.

<https://www.businesswire.com/news/home/20220927005812/en/Celsius-Network-CEO-Submits-Letter-of-Resignation>

Schneider Exhibit 13

[Advanced company search](#)

CELSIUS NETWORK LIMITED

Company number **11198050**

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1 active person with significant control / 0 active statements

Mr Alexander Mashinsky **ACTIVE**

Correspondence address

The Harley Building, 77 - 79 New Cavendish Street, London, England, W1W 6XB

Notified on

9 February 2018

Date of birth

October 1965

Nationality

American

Country of residence

United States

Nature of control

Ownership of shares – 75% or more

Ownership of voting rights - 75% or more

<https://find-and-update.company-information.service.gov.uk/company/11198050/persons-with-significant-control>

Schneider Exhibit 14

The Entire...

ORDER (I) APPROVING THE ADEQUACY OF THE DEBTORS' DISCLOSURE STATEMENT, (II) APPROVING THE SOLICITATION AND VOTING PROCEDURES WITH RESPECT TO CONFIRMATION OF THE DEBTORS' JOINT PLAN OF REORGANIZATION, (III) APPROVING THE FORM OF BALLOTS AND NOTICES IN CONNECTION THEREWITH, (IV) SCHEDULING CERTAIN DATES WITH RESPECT THERETO, (V) AUTHORIZING AND APPROVING REIMBURSEMENT OF CERTAIN OF THE PLAN SPONSOR'S FEES AND EXPENSES, AND (VI) GRANTING RELATED RELIEF

[22-10964-mg; Doc 3337; Filed 08/17/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908172380000000172.pdf>

Schneider Exhibit 15

The Entire...

NOTICE OF SUCCESSFUL BIDDER AND BACKUP BIDDER

(Fahrenheit & BRIC Plan Term Sheets)

[22-10964-mg; Doc 2713; Filed 05/25/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174905252380000000034.pdf>

Schneider Exhibit 16

The Entire...

NOTICE OF DEBTORS' ENTRY INTO PLAN SPONSOR AGREEMENT

(Fahrenheit Plan Sponsor Agreement & Plan Term Sheet)

[22-10964-mg; Doc 2759; Filed 06/07/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174906072380000000070.pdf>

Schneider Exhibit 17

The Entire...

NOTICE OF FILING OF MODIFIED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF CELSIUS NETWORK LLC AND ITS DEBTOR AFFILIATES

(NewCo Plan – 5th Revision)

[22-10964-mg; Doc 3577; Filed 09/27/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174909272380000000058.pdf>

Schneider Exhibit 18

The Entire...

FOURTH NOTICE OF FILING OF REVISED DISCLOSURE STATEMENT FOR THE JOINT
CHAPTER 11 PLAN OF REORGANIZATION OF CELSIUS NETWORK LLC AND ITS
DEBTOR AFFILIATES (Debtors Disclosure Statement – 4th Revision)

22-10964-mg Doc 3332 Filed 08/17/23

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908172380000000088.pdf>

Schneider Exhibit 19

The Entire...

DECLARATION OF BRIAN KARPUK REGARDING THE SOLICITATION AND
TABULATION OF VOTES ON THE JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF CELSIUS NETWORK LLC AND ITS DEBTOR AFFILIATES

[22-10964-mg; Doc 3560; Filed 09/25/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174909252380000000182.pdf>

Schneider Exhibit 20

The Entire...

DECLARATION OF ROBERT CAMPAGNA IN SUPPORT OF CONFIRMATION OF THE
JOINT CHAPTER 11 PLAN OF REORGANIZATION OF CELSIUS NETWORK LLC AND
ITS DEBTOR AFFILIATES

[22-10964-mg; Doc 3582; Filed 09/27/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174909272380000000066.pdf>

Schneider Exhibit 21

The Entire...

FOURTH NOTICE OF FILING OF PLAN SUPPLEMENT

[22-10964-mg; Doc 3483; Filed 09/15/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174909162380000000027.pdf>

Schneider Exhibit 22

You may terminate any loan to Celsius at any time, and request that Celsius return the borrowed Eligible Digital Assets and deliver any Rewards accrued from the Earn Service, by transferring such Eligible Digital Assets and Rewards to your external Virtual Wallet (in accordance with Section 11 below, “Withdrawals”) or to the Custody Service, if available.

[22-10964-mg; Doc 393; Filed 08/08/22; Pg 539 of 1126] — (Terms of Use Version 8)

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908092280000000015.pdf>

Schneider Exhibit 23a

11. Withdrawals

Subject to these Terms, for any of your Eligible Digital Assets that you elect to utilize in the Earn Service (if available to you), you have a call option on all loans made to Celsius to demand immediate, complete or partial repayment of any loan at any time through (i) transfer to a Custody Wallet, if available to you, or (ii) a complete or partial withdrawal of Eligible Digital Assets at any time. Such repayment will terminate in whole or in part your loan to Celsius and you shall no longer accrue Rewards on the amount of loans as of the time of your exercise of the call option. Celsius initiates the withdrawal process immediately following a withdrawal request when possible; however, we may require up to three (3) days after you submit your withdrawal request to process the withdrawal.

[22-10964-mg; Doc 393; Filed 08/08/22; Pg 550 of 1126] — (Terms of Use Version 8)

Schneider Exhibit 23b

For every withdrawal request, you will be required to provide the details of the Virtual Wallet to which you wish to receive your repayment of Digital Assets. For the avoidance of doubt, any repayment shall be in-kind (i.e., in the same

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type of Eligible Digital Assets loaned by you, but not the actual same Digital Assets originally transferred by you). In the event that the details you provide are inaccurate, incomplete, or misleading, your Digital Assets may be permanently lost. We will not be liable for any loss that results from inaccurate, incomplete, or misleading details that you may provide for such transfer. If the transfer address you specify is one to which we are unable to process transfers, we will have no liability for any resulting failure or delay in processing your requested withdrawal.

[22-10964-mg; Doc 393; Filed 08/08/22; Pg 550-551 of 1126] — (Terms of Use Version 8)

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908092280000000015.pdf>

Schneider Exhibit 24

The Entire...

NOTICE OF MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO APPROVE JOINT STIPULATION AND AGREED ORDER BETWEEN THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS AND THE DEBTORS WITH RESPECT TO
CERTAIN CLAIMS AND CAUSES OF ACTION BELONGING TO THE DEBTORS'
ESTATES

Exhibit 1 – Doc 2054-1

JOINT STIPULATION AND AGREED ORDER BETWEEN THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS AND THE DEBTORS WITH RESPECT TO CERTAIN
CLAIMS AND CAUSES OF ACTION BELONGING TO THE DEBTORS' ESTATES

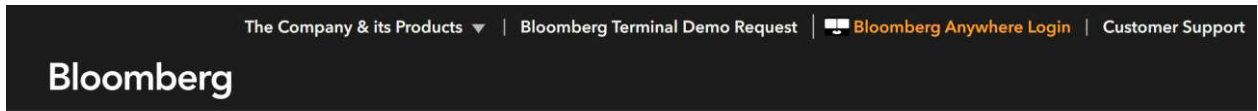
Exhibit 2 – Doc 2054-2 & Doc 2054-3

UCC COMPLAINT and EXHIBIT A

[22-10964-mg; Doc 2054; Filed 02/14/23]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174902142380000000129.pdf>

Schneider Exhibit 25a



Crypto

Ex-Celsius CEO Alex Mashinsky Charged With Crypto Fraud

- Three regulatory agencies also sued Mashinsky in New York
- Mashinsky pleads not guilty to all charges at hearing

<https://archive.ph/jcuPp>

Schneider Exhibit 25b

Case 1:23-cr-00347-UA Document 1 Filed 07/11/23 Page 1 of 46

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
UNITED STATES OF AMERICA
:

-v.-

ALEXANDER MASHINSKY and
RONI COHEN-PAVON,

Defendants.
----- X

SEALED INDICTMENT

23 Cr.

23 CRIM 347

Overview

1. From at least in or about 2018 through in or about June 2022, ALEXANDER MASHINSKY, the defendant, orchestrated a scheme to defraud customers of Celsius Network LLC and its related entities (collectively, “Celsius”), the cryptocurrency company he founded, and, together with Celsius’s Chief Revenue Officer, RONI COHEN-PAVON, the defendant, and other

<https://assets.bwbx.io/documents/users/iqjWHBFdfxIU/rUvOaY4GRF9g/v0>

Schneider Exhibit 26a



World ▾ Business ▾ Markets ▾ Sustainability ▾ Legal ▾ Breakingvie

Litigation | Technology | Securities Enforcement | Capital Markets | Criminal

Ex-Celsius crypto lender exec Cohen-Pavon pleads guilty, will cooperate with US probe

By **Luc Cohen**

September 14, 2023 4:04 PM UTC · Updated ago



<https://12ft.io/proxy?q=https%3A%2F%2Fwww.reuters.com%2Flegal%2Fcohen-pavon-executive-crypto-lender-celsius-pleads-guilty-us-criminal-charges-2023-09-14%2F%23%3A%7E%3Atext%3DCohen%252DPavon%252C%2520Celsius%27%2520former%2Ccrypto%2520token%252C%2520known%2520as%2520Cel>

Schneider Exhibit 26b



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

September 11, 2023

BY EMAIL

Jeffrey Brown, Esq.
Dechert LLP
3 Bryant Park
1095 Avenue of the Americas
New York, New York 10036

Re: United States v. Roni Cohen-Pavon, 23 Cr. 347 (JGK)

Dear Mr. Brown:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will accept a guilty plea from Roni Cohen-Pavon ("the defendant") to Counts Four through Seven of the Indictment in the above-captioned case (the "Indictment").

[https://fingfx.thomsonreuters.com/gfx/legaldocs/byprmoqzpe/2023.09.11%20Cohen-Pavon%20Plea%20Agreement%20\(signed\).pdf](https://fingfx.thomsonreuters.com/gfx/legaldocs/byprmoqzpe/2023.09.11%20Cohen-Pavon%20Plea%20Agreement%20(signed).pdf)

Schneider Exhibit 27a

The Percentage of Businesses That Fail (Statistics & Failure Rates)

By Luisa Zhou | Building a Business | Updated: July 28, 2023

Why do 90 percent of businesses fail? Is that fact even true? You're about to find out thanks to these business failure statistics.

Millions of new businesses are launched each year, but only a portion of them survive. Why do so many businesses fail year after year? Well, that is what we are exploring in this article.

Business statistics and failure rates are a smart way to look deeper into the subject. By understanding these figures, you can better understand why businesses close down and, hopefully, avoid these pitfalls yourself.

Scroll on for a robust list of 30 research-backed business failure statistics all gathered from reputable sources. Ready to *not* fail? Let's get started.

Top business failure statistics

- **18.4% fail** within the first year
- **49.7% fail** within the first 5 years
- **65.6% fail** within the first 10 years
- Only **25%** make it beyond 15 years

<https://www.luisazhou.com/blog/businesses-that-fail/>

Schneider Exhibit 27b

Top 6 Reasons New Businesses Fail — Investopedia.com

By MICHAEL T. DEANE - Updated December 30, 2022

It's often said that more than half of new businesses fail during the first year. According to the U.S. [Bureau of Labor Statistics](#) (BLS), this isn't necessarily true. Data from the BLS shows that approximately 20% of new businesses fail during the first two years of being open, 45% during the first five years, and 65% during the first 10 years. Only 25% of new businesses make it to 15 years or more. These statistics haven't changed much over time, and have been fairly consistent since the 1990s. ^[1] Though the odds are better than the commonly held belief, there are still many businesses that are closing down every year in the United States.

<https://www.investopedia.com/financial-edge/1010/top-6-reasons-new-businesses-fail.aspx>

Schneider Exhibit 27c



Simon Dixon 
@SimonDixonTwitt

...

I don't know who they are, but in private equity you usually invest in 10 deals to get one unicorn. The best VC in the world expect 10% hot rate. I invested in 100 companies and 8 of them became unicorns. That's why suitability & disclosure is so important.

5:17 PM · Jan 30, 2023 · **212** Views

Schneider Exhibit 28a

(See Next Page)

[22-10964-mg; Doc 3332; Filed 08/17/23; Pg 9 of 830]

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The Debtors make statements in this Disclosure Statement that are considered forward-looking statements under federal securities laws. The Debtors consider all statements regarding anticipated or future matters to be forward-looking statements. Although the Debtors believe the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Debtors can give no assurance that their expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such factors include, but are not limited to, the following:

- plans, objectives, expectations, and intentions;
- business and financial strategies, budgets, and projections;
- changes in political, economic, or market conditions generally and in the Cryptocurrency industry specifically;
- governmental regulation and taxation applicable to the Debtors, Post-Effective Date Debtors, or NewCo, including any changes thereto;
- possible restrictions on the ability of the Debtors, Post-Effective Date Debtors, or NewCo to operate;
- the unfavorable resolution of legal or regulatory proceedings;
- the regulatory licenses held by the Debtors, Post-Effective Date Debtors, or NewCo;
- risks associated with the chapter 11 process, including the Debtors' ability to develop, confirm, and consummate a plan under chapter 11;
- inability to maintain relationships with customers, employees, and other third parties as a result of the Chapter 11 Cases or other failure of such parties to comply with their contractual obligations; and
- failure to satisfy the Debtors', Post-Effective Date Debtors', or NewCo's short- or long-term liquidity needs, including their inability to generate sufficient cash flow from operations or to obtain adequate financing;
- the Debtors' or NewCo's technology and ability to adapt to rapid technological change;
- the outcome of pending and future litigation;
- exchange rate fluctuations and Cryptocurrency price fluctuations;
- risks in connection with dispositions of assets; and
- risk of information technology or data security breaches or other cyberattacks.

Schneider Exhibit 28b

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF ANY FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE NEWCO'S ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE PROJECTED, AND THE DEBTORS

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Pg 10 of 830

UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING:

[22-10964-mg; Doc 3332; Filed 08/17/23; Pg 9-10 of 830]

Schneider Exhibit 28c

UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING:

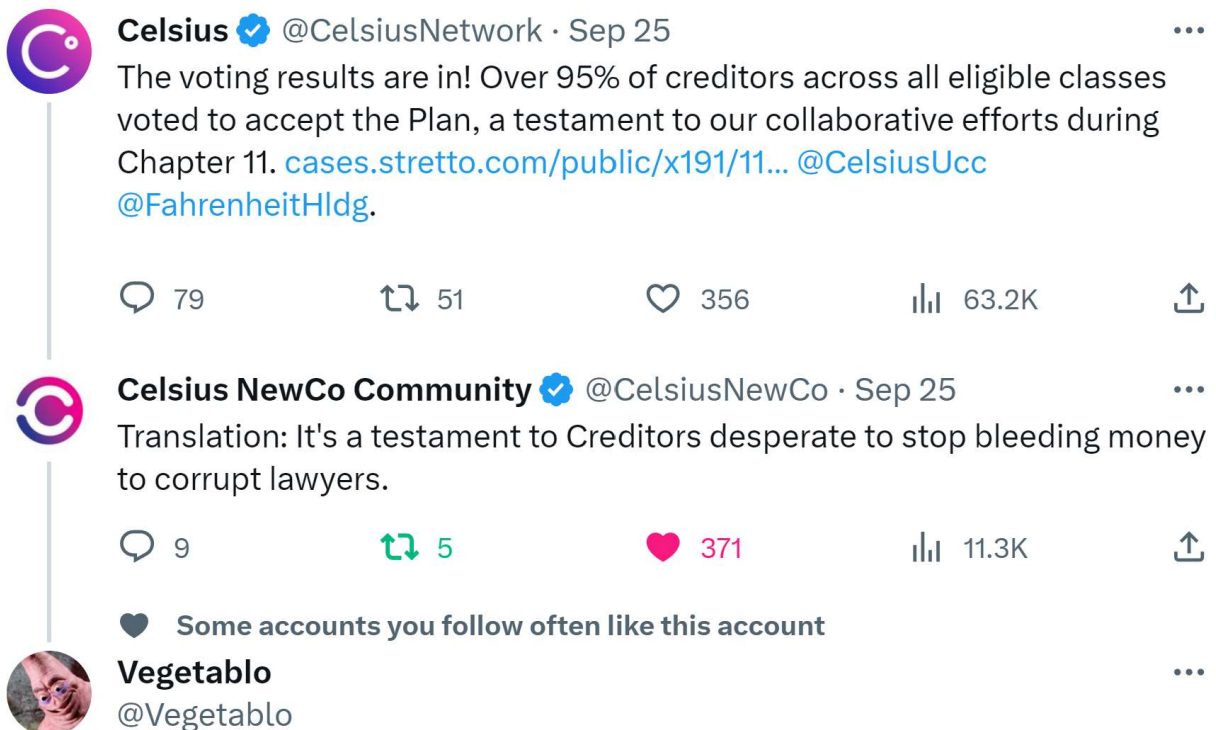
- the Debtors' ability to confirm and consummate the Plan;
- the potential that the Debtors may need to pursue an alternative transaction if the plan is not confirmed;
- the potential adverse impact of the Chapter 11 Cases on the Debtors', Post-Effective Date Debtors', or NewCo's operations, management, and employees;
- the Debtors' inability to discharge or settle Claims during the Chapter 11 Cases;
- general economic, business, and market conditions;
- Cryptocurrency fluctuations;
- interest rate fluctuations;
- price increases;
- exposure to litigation;
- a decline in the Debtors' or NewCo's market share due to competition;
- adverse tax changes;
- limited access to capital resources;
- the impact of a Cryptocurrency market downturn on the Debtors' or NewCo's business;
- changes in domestic and foreign laws and regulations;
- trade balance;
- natural disasters;
- geopolitical instability; and
- the effects of governmental regulation on the Debtors' or NewCo's business.

[22-10964-mg; Doc 3332; Filed 08/17/23; Pg 10 of 830]

<https://cases.stretto.com/public/x191/11749/PLEADINGS/1174908172380000000088.pdf>

Schneider Exhibit 29a

The number of likes that @CelsiusNewCo X post received is a testament to Creditors that ***THEY WERE FORCED TO VOTE FOR A PLAN THAT'S AGAINST THEIR BEST INTEREST.*** @CelsiusNewCo post received approximately 6 times less views but more likes than the Debtors post (@CelsiusNetwork).



It's not that we support the plan. We just support ending this chapter of our lives and moving on...

7:36 PM · Sep 25, 2023 · 433 Views

<https://twitter.com/CelsiusNewCo/status/1706443105459716490>

<https://twitter.com/Vegetablo/status/1706467623599534394>

Schneider Exhibit 29b

Additional Responses to Debtor's post showing Creditors sentiment to NewCo Plan.



Joey Hendrickson  @JoeyHendrickson · Sep 25

...

"A testament to our collaborative efforts"

You financially impregnated the clients you abused, stole our cash, legally ended the financial relationship, and "collaborated" by making us pay your friends to babysit NewCo while we can't even be in the room. This post is gaslighting

 8

 9

 117

 3,427



Ben Kenobi @justbenkenobi · Sep 25

...

If you all hadn't abused our trust and misused our funds we wouldn't be in this mess. Read the room

 2

 1

 4

 232



Pumperslug @pumperslug · Sep 25

...

That means a lot, coming from the people who sat by, collected their paychecks (and CEL tokens), and kept their mouths shut while their employer robbed us all blind. I'm sure none of u had a clue what was going on...

 10

 1

 32

 1,237



Tecmo  @TecmoSB · Sep 26

...

It's important to note just because most voted yes, doesn't mean it was a good plan. People just wanted this to end & this shitty plan was the only option. Victims never wanted to YOLO invest in a mining startup w/ their retirement savings. Creditors continue to be victimized.

 4

 5

 47

 1,017



- 

Y 🦋 @wh_eye · Sep 26

That was not a vote, that is a robbery.

6 9 262
- 

Peace @FrancieJones · Sep 25

What we actually wanted was [#depositorsfirst](#) or an orderly wind down a year ago but the crooks demanding bonuses at Celsius wanted to milk us even more. Along with the UCC co-chairs and White & Case. That's why I voted no, so I did not opt out of 3rd party releases.

17 3 36 1,930
- 

Digital Asset Updates @DigitalAssetUpd · Sep 25

No, it's a testament to how much people want their fucking coins back

7 2 34 503
- 

Y 🦋 @wh_eye · Sep 26

Was trying to find a single positive comment to your announcement, lol

5 3 242
- 

Daniel G @HodlerTodler · Sep 26

LOL

5 1 192
- 

moontime @zoomout23 · Sep 26

No. We had a gun to our heads.

5 2 16 488



MrMasternode @MrMasternode · Sep 26

...

It's all lies. I lost 20 years worth of income (not savings) to your predatory LTV loans & [#Ponzi](#)

NewCo does nothing to recover the losses of OTC buyers of [\\$CEL](#) & those who trusted [#Mashinsky](#) into taking loans from [#Celsius](#)

Many of us are/have faced significant financial loss

8

1

9

623



anon @ikoikoikoiko · Sep 25

...

You don't get to be taken seriously when you rigged the ballot in

10

1

24

1,512



Chopin @paraszopen · Sep 25

...

Yeah.... Cause you hold many as hostages. Congrats and now return rest of our crypto so we can say final goodbye.

19

1

24

1,444



Joseph Pattisall @josephpattisall · Sep 26

...

If everyone toggled to more crypto, that's a vote in itself for orderly wind down. Please do the right thing.

11

7

329



vegetariman @thewildcat666 · Sep 25

...

I just want want my crypto back 🤔

27

1

20

1,271





22XXXXXX22 @22Chainlink22 · Sep 26

Disgusting.

6

1

7

694



2fan @2fan_k · Sep 27

Thank you for stealing peoples money 👍

14

6

198



MrMasternode @MrMasternode · Sep 25

Should have Chapter 7 on day 1. The restructuring was a farce

9

13

1,015



CarolAnn 🐕🍋 @CarolAn64246005 · Sep 25

It's a testament that u can manipulate the vote via email push notifications, encoraging the majority of creditors, who r not on Twitter, to vote yes. 95% of have not been privvy to the truth...YET. it's not over til it's over. 🙌

8

3

27

1,840



The Epopt @Degreez400 · Sep 25

Thanks for giving us no options other than to accept the plan or be bled dry slowly 👍

13

3

58

2,145





DSH @DS_Hemp · Sep 25

98% just wanted this headache Over with! lol

18



21

1,399



LILRIG @rigbyempire · Sep 25

Oh brother! Celsius is a nightmare for me and every other creditor out there. No effort will compensate for all the loss, the impact to families, the stress, loss of life, and frankly the PTSD that will likely last a lifetime for many. So no, don't pat your damn self on the back!

13

6

33

1,251



WonderRiEn @Wonderrrien · Sep 26

Gaslighting.

5



3

277



CryptoRAIN @CryptoRAIN6 · Sep 25

You failed us! You ruined lives, ended marriages, stole peoples retirements and lives, and you thank us for our dedication?? This isint dedication, this is people desperate to get back what you stole from them. You will see dedication to put piece of shit scaminsky in prison

11

5

33

599



Mr_GenX @xer_gen · Sep 26

@CelsiusNetwork is a criminal organization. You guys dragged your feet, delayed and strung the process out every chance you could. Complete lack of meaningful communication or transparency, meanwhile, people watched their life savings dwindle.



AK-474  @kwa497 · Sep 25

...

Orderly wind down NOW

 5



 7

 191



Maggie Thatch @MaggieThatch2 · Sep 26

...

Forced investment into a shit newco, after a year of wasting hundreds of millions on parasite lawyers, is how I feel

 16



 3

 70



Encro @EncroMoney · Sep 25

...

The choice between forced investment into @FahrenheitHldg or let vulture lawyers like @Kirkland_Ellis and @WhiteCase eat into our remaining funds wasn't really a choice at all.

You were rotten to the core and only creditors like @TiffanyFong, @SimonDixonTwitt etc deserve credit.

 2

 7

 30

 1,177



musselltaxii @ZachD59887377 · Sep 25

...

Seriously, what choice did we have? Delay this another year? Bleed more money for lawyers and “employee” salaries? Get off your nonexistent high horse you clowns.

 16



 10

 171



Joseph Pattisall @josephpattisall · Sep 26

...

That’s a spin. We voted for our crypto, not equity. No one wants to be a part of your plan.

 8



 2

 78



<https://twitter.com/CelsiusNetwork/status/1706430965701087676>